

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF JUDY WATER)	
ASSOCIATION OF MONTGOMERY COUNTY,)	
KENTUCKY FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO)	2000-161
CONSTRUCT, FINANCE, AND INCREASE RATES)	
PURSUANT TO THE PROVISIONS OF KRS 278.023)	

O R D E R

On April 6, 2000, Judy Water Association (“Judy Water”) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$2,540,952 waterworks improvement project. This project consists of the construction of approximately 58 miles of new water lines and appurtenances, a 100,000 gallon elevated water storage tank, and pump station. Project funding consists of a \$1,000,000 Community Development Block Grant, a \$1,237,111 loan from the U.S. Department of Agriculture’s Rural Development (“RD”), a \$126,000 contribution from Bourbon County Fiscal Court, a \$109,939 contribution from Harrison County Water Association, a \$12,533 contribution from Highland Farms, Inc., and tap-on fees in the amount of \$55,369.

Judy Water’s application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory

completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on April 19, 2000, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Judy Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Judy Water's proposed plan of financing with RD is accepted.
3. Judy Water is authorized to issue bonds not to exceed \$1,237,111.
4. Judy Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.
5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.
6. Three years from the effective date of this Order, Judy Water shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 28th day of April, 2000.

ATTEST:

By the Commission

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Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-161 DATED APRIL 28, 2000

The following rates and charges are prescribed for the customers in the area served by Judy Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	1,000 gallons	\$12.00 Minimum bill
Next	4,000 gallons	5.00 per 1,000 gallons
Next	5,000 gallons	4.50 per 1,000 gallons
All over	10,000 gallons	4.00 per 1,000 gallons

In addition, a surcharge of \$14.37 per month will be assessed to all users served by the Bourbon County Waterline Extension Project.